The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Ex parte JAY DONAHUE

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BOARD OF PATENT APPEALS
AND INTERFERENCES

Appeal No. 2005-1898
Application No. 09/610,005

HEARD: October 19, 2005

Before HAIRSTON, BARRETT, and LEVY, Administrative Patent Judges.
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 1-27, 29-42, 44-46 and 48-57, which are all of the claims pending in this application.

We REVERSE.

BACKGROUND

The appellant's invention relates to a method and apparatus for negotiating a real estate lease using a computer network (specification, page 1).

Claim 1 is representative of the invention, and is reproduced as follows:

1. A computer-assisted method of negotiating a real estate lease transaction, comprising the steps of:

(1) displaying on a computer screen a plurality of lease provisions and a plurality of redefined actions associated with each lease provision, wherein the plurality of lease provisions are associated with a first phase of a lease negotiation;

(2) for each of a plurality of negotiators to the lease transaction, selecting one of the plurality of predefined actions associated with each lease provision; and

(3) for each lease provision, determining whether each of the plurality of negotiators has selected the same associated predefined action and, if so, storing in the computer an indication of the associated lease provision as an agreed provision and, if not, deferring non-agreed lease provisions to a later phase of the lease negotiation.

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Boesch et al. (Boesch)	5,897,621	Apr. 27, 1999
Hoyt et al. (Hoyt)	6,067,531	May 23, 2000
Rickard et al. (Rickard)	6,112,189	Aug. 29, 2000 (filed Mar. 19, 1997)
Luke et al. (Luke)	6,131,087	Oct. 10, 2000 (filed Nov. 5, 1998)

Raveis, Jr.	6,321,202	Nov. 20, 2001 (filed Dec. 10, 1999)
Crawford et al. (Crawford)	6,502,113	Dec. 31, 2002 (filed Nov. 23, 1998)

Claims 1, 3, 11-15, 21, 22, 30-42, 44, 46, 49, 50 and 52-55 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford.

Claim 2 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Hoyt.

Claim 4 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Rickard.

Claims 5, 6[1], 16 and 17 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Boesch.

Claims 23, 27 and 48 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke.

Claim 24 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke and Raveis.

[1] It is unclear as to why the rejection of claims 5 and 6 odes not include Rickard, as claims 5 and 6 depend from claim 4, which is rejected over Crawford in view of Rickard. In addition, it is unclear as to why the rejection of claim 25 includes Raveis, as claim 25 depends from claim 23, which was rejected over Crawford in view of Luke.

Claim 25 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke, Raveis and Boesch.

Claims 26 and 45 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke and Rickard.

Claims 51, 56 and 57 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Hoyt.

Rather than reiterate the conflicting viewpoints advanced by the examiner and the appellant regarding the above-noted rejections, we make reference to the answer (mailed July 7, 2004) and the final rejection (mailed October 31, 2003) for the examiner's complete reasoning in support of the rejections, and to the brief (filed April 12, 2004) and reply brief (filed September 3, 2004) for the appellant's arguments thereagainst.

Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered. See 37 CFR § 41.37(c)(1)(vii)(eff. Sept. 13, 2004).

OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejections advanced

by the examiner, and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellant's arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer. Upon consideration of the record before us, we make the determinations which follow.

We begin with the rejection of claims 1, 3, 11-15, 21, 22, 30-42, 44, 46, 49, 50 and 52-55 under 35 U.S.C. § 103(a) as being unpatentable over Crawford. We turn first to claim 1.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally

available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole. See id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

The examiner's position (final rejection, page 5) is that Crawford discloses the claimed invention "except for the modifiers 'lease, predefined real estate agreement.'" The examiner asserts (id.) that it would have been obvious to utilize modifiers such as rent, buying, contract, etc., without changing the concept of the limitation presented.

Appellant's position (brief, page 8) is that

> Crawford does not teach, suggest, or support the notion of a transaction having multiple, distinct phases, nor the concise negotiation of transaction milestones, as recited in claims 1, 3 and 13-15. Nor does Crawford generate documents based upon decisions reached by the negotiating parties through a structured transaction engine, as does the present invention.

It is further asserted (id.) that

> Crawford does not teach or suggest a plurality of lease provisions and a plurality of predefined actions associated with each lease provision, nor determining whether two parties have selected the same predefined action.

It is argued (brief, page 9) that there is no motivation to modify Crawford with the level of knowledge of an artisan because Crawford teaches away from the inventive methods and systems, because Crawford "virtually abolishes the kind of crunch strategies that are bound up with aggressive win/lose negotiations." Thus, Crawford specifically discourages deferring answering a question, whereas in the present invention non-agreed provisions are deferred to a later phase of the negotiations.

Appellant further asserts (id.) that

> Thus, Appellant respectfully submits that there is no motivation or suggestion to modify Crawford, which describes a system for editing a specific document, to arrive at the present invention, which manages an entire transaction.

Appellant additionally asserts (brief, page 10) that

> Crawford does not teach or suggest a plurality of predefined actions associated with *each* lease provision--Crawford (at best) describes a plurality of predefined actions associated with the *entire document or contract*, not individual contract provisions, as can be seen in Crawford.

From our review of Crawford, we find that Crawford is directed to a document management system for recording on-going negotiations (col. 1, lines 9-11). As such, Crawford does not disclose the negotiation manager to be directed to a real estate lease negotiation. The examiner asserts (answer, page 7) that the type of document being negotiated is non-functional descriptive material that is not functionally involved in the recited steps. We find that the real issue is whether it would have been obvious to use the system of Crawford to negotiate a real estate lease. From the disclosure of Crawford (col. 2, lines 30 and 31) that the negotiation management system is a universal document management system, we find that an artisan would have been motivated to use the system of Crawford to negotiate a real estate lease transaction.

From our review of Crawford, we additionally find that Crawford displays a lease clause on the screen (figures 12 and 13) that can be agreed upon or negotiated. Crawford further

discloses that the document can be viewed by scrolling (col. 9, line 7) and that a party can move from page to page by using the previous and next buttons 342 and 344 (col. 9, lines 41 and 42). From the disclosure of scrolling through the document, we find that more than one clause is displayed, and can be viewed by scrolling. In addition, we find that when moving from page to page using the previous and next buttons, a party, when viewing a page, can view, at least in some instances, more than one clause of the document. In addition, figure 11 shows a simultaneous display of three clauses and part of a fourth clause (col. 10, lines 32-35).

However, we find no disclosure in Crawford that the displayed plurality of lease provisions are associated with a first phase of a lease negotiation. Crawford discloses (col. 9, lines 38-40) that at various stages of the negotiation, it may be helpful to export the document by activating icon button 340, as shown in figure 10. Crawford further discloses (col. 10, lines 40-42) that visual coding is employed to distinguish between negotiable and negotiated clauses in different stages of the negotiation process. These two instances are the only times that the term stages appears in Crawford. From the two passages, it is not very clear as to how a stage is defined. From our reading

of Crawford, we find that different stages of negotiation are disclosed, and that the visual coding (such as highlighting in green clauses that have been agreed to) is employed to distinguish between negotiable and negotiated clauses in different stages of the negotiation process. Thus, we find that different stages occur when the document is updated and highlighted to reflect clauses that are agreed to and clauses to be negotiated.

However, we do not agree with the examiner (answer, page 5) that each clause of the lease is a different phase of the lease. If each clause of the lease is a different phase of the lease, then a plurality of clauses would represent a plurality of phases of the lease, not a single phase of the lease as required by claim 1. Nevertheless, if the parties go through the document and agree on some clauses and leave the other clauses to be negotiated, when the system updates and highlights the information, the parties move to the next stage of the negotiation, and the displayed clauses that have been agreed to, which can be scrolled to, are displayed clauses of a first phase of the lease, as are the plural simultaneously displayed clauses illustrated in figure 11. Additionally, we find that in Crawford, a party can click on the agree icon 376 (figure 12) to

agree upon a clause. In addition, we find that as noted in figure 3, in box 126, a party can add a note explaining their goal, documenting a point, ask a question, etc., about a clause. In figure 5, box 180, a party can update language of the base document. Thus, we find these capabilities to be a plurality of actions associated with each lease provision. However, as these actions are open ended, they are not pre-defined actions, but rather are open-ended actions. In addition, Crawford discloses renegotiate button 376. This button is used if a party decides to renegotiate a clause that has already been agreed to (col. 11, lines 60-62). Although Crawford discloses both the agree and renegotiate buttons, both of which are predefined actions, they are not alternative choices. Because the renegotiate icon can only be used to renegotiate a clause already agreed to, we find that Crawford does not disclose a plurality of predefined actions for each lease clause as a user cannot choose between agree and renegotiate because only one choice is available. We are not persuaded by the examiner's assertion (answer, page 5) that editing of a lease provision is a predefined action. As noted above, editing is an action provided to each party. However, as the amount or type of editing, and whether or not there is any

editing or asking a question, we find the editing option is an open-ended action and not a predefined action.

Because Crawford does not disclose a plurality of predefined actions associated with each lease provision, Crawford does not disclose or suggest selecting one of the plurality of predefined actions, since only one predefined action is available to each party for each lease clause. We do agree with the examiner (answer, page 6) that the color-coded system of Crawford that indicates clauses that have been agreed upon and clauses that have yet to be negotiated to an agreement, when updating, the system does determine whether the two parties have selected the same predefined action (agree). However, for the reasons, supra, we find that this is insufficient to meet the claim limitation of selecting one of the predefined actions, because there is only one predefined action (agree, or if agreed to, renegotiate). Accordingly, we agree with appellant (reply brief, page 4) that in Crawford, the negotiators do not perform a predefined action in editing, etc., but rather each inserts arbitrary claim language as desired.

From all of the above, we find that Crawford fails to establish a prima facie case of obviousness of claim 1. Accordingly, the rejection of claim 1 under 35 U.S.C. § 103(a) is

reversed. As claims 3 and 11-13 depend from claim 1, the rejection of claims 3 and 11-13 is reversed.

We turn next to independent claim 14. As claim 14 also recited a plurality of predefined actions for each lease provision, the rejection of claim 14 is reversed, along with claims 15 and 22, dependent therefrom.

We turn next to independent claims 30, 38, 49, 50, 52 and 53. Each of these claims requires that each provision of the lease include an agreement choice and a deferral choice. In Crawford, although document clauses can be deferred to a later stage by not agreeing to them, Crawford does not provide both an agreement choice and a deferral choice for each lease provision. Rather, Crawford discloses a single choice of agree, for each clause of the document. Accordingly, we find that Crawford fails to establish a prima facie case of obviousness of claims 30, 38, 49, 50, 52 and 53. The rejection of claims 30, 38, 49, 50 52 and 53, as well as claims 31-37, 39-42, 44, 46, 54 and 55, dependent therefrom, under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claim 2 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Hoyt. The examiner's position (final rejection, page 14) is that Crawford does not disclose selecting either an AGREE choice or a

DEFER choice for each lease provision. To overcome this deficiency of Crawford, the examiner turns to Hoyt for a teaching of this feature. From our review of Hoyt, and in particular the portions of Hoyt relied upon by the examiner, we find no disclosure or suggestion of a DEFER choice. Accordingly, we agree with appellant, for the reasons set forth in the reply brief (page 8, ultimate paragraph), that Crawford and Hoyt do not suggest this feature, and that Hoyt does not provide a mechanism to choose whether to agree or defer, as required by claim 2. Accordingly, the rejection of claim 2 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claim 4 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Rickard. We cannot sustain the rejection of claim 4 because Rickard does not make up for the deficiencies of Crawford. Accordingly, the rejection of claim 4 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claims 5, 6, 16 and 17 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Boesch. The examiner relies upon Boesch for the step of currency conversion (final rejection, page 16). We cannot sustain the rejection of claims 5, 6, 16 and 17 because Boesch does not make up for the deficiencies of Crawford. Accordingly,

the rejection of claims 5, 6, 16 and 17 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claims 7-10, 18-20 and 29 as being unpatentable over Crawford in view of Raveis. The examiner relies upon Raveis for a third party service provider. We cannot sustain the rejection of claims 7-10, 18-20 and 29 because Raveis does not make up for the deficiencies of Crawford. With regard to independent claim 29, we observe that the claim, like claim 1, requires displaying a plurality of predefined actions for each lease provision. Accordingly, the rejection of claims 7-10, 18-20 and 29 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claims 23, 27 and 48 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke. We note at the outset that independent claims 23 and 48 each require displaying a plurality of predefined actions for each lease provision. The examiner's position (final rejection, page 23) is that

> Luke '087 teaches that it is known in the art to provide for those lease provisions for which the first and second parties have not selected the same predefined action, assisting the first and second parties in reaching agreement. Col. 4, lines 3-25.

Appellant's position (brief, page 19) is that the references cannot be combined, and even if they were combined, they would

not teach or suggest paragraphs 3 and 4 of independent claims 23 and 48. From our review of Luke, we cannot sustain the rejection of claims 23, 27 and 48 because firstly, Luke is directed to matching buyers and sellers, not for negotiating clauses of a document, and secondly, the discussion in Luke of comparing solicitations does not make up for the deficiencies of Crawford. Accordingly, the rejection of claims 23, 27 and 48 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claim 24 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke and Raveis. We cannot sustain the rejection of claim 24 because Luke and Raveis do not make up for the deficiencies of Crawford.

We turn next to the rejection of claim 25 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke, Raveis and Boesch. We cannot sustain the rejection of claim 25 because Luke, Raveis and Boesch do not make up for the deficiencies of Crawford. Accordingly, the rejection of claim 25 under 35 U.S.C. § 103(a) is reversed.

We turn next to claims 26 and 45 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Luke and Rickard. We cannot sustain the rejection of claims 26 and 45 because Luke

and Rickard do not make up for the deficiencies of Crawford. Accordingly, the rejection of claims 26 and 45 under 35 U.S.C. § 103(a) is reversed.

We turn next to the rejection of claims 51, 56 and 57 under 35 U.S.C. § 103(a) as being unpatentable over Crawford in view of Hoyt. We note at the outset that independent claims 51 and 56 require that a plurality of predefined actions including an agree choice and a defer choice. In addition, we make reference to our findings, supra, with respect to Crawford and Hoyt. We cannot sustain the rejection of claims 51, 56 and 57 because Hoyt does not make up for the deficiencies of Crawford. Accordingly, the rejection of claims 51, 56 and 57 under 35 U.S.C. § 103(a) is reversed.

CONCLUSION

To summarize, the decision of the examiner to reject claims 1-27, 29-42, 44-46 and 48-57 under 35 U.S.C. § 103 is reversed.

REVERSED

KENNETH W. HAIRSTON)
Administrative Patent Judge)
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LEE E. BARRETT) BOARD OF PATENT
Administrative Patent Judge) APPEALS
) AND
) INTERFERENCES
)
)
STUART S. LEVY)
Administrative Patent Judge)

SSL/lbg

Banner & Witcoff LTD
1001 G Street NW
Washington, DC
20001-4597